

State of Alaska FY2003 Governor's Operating Budget

Department of Education and Early Development Program Administration Component Budget Summary

Component: Program Administration

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Component Mission

The mission of the Program Administration component of the Alaska Commission on Postsecondary Education (ACPE) is to:

- * administer and provide policy direction for the ACPE programs
- * review and oversee postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, emphasizing quality in postsecondary education and training
- * provide Alaskans with information about the educational opportunities available in Alaska and financial aid programs available to assist in accessing those opportunities.

Component Services Provided

The component contains funding for: the Alaska Commission on Postsecondary Education, to set policy; the Office of the Executive Director, to implement policy; and the Institutional Relations and Outreach staff, to enforce the Commission's regulations and policy directives and provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions. The Commission is a 14-member body composed of representatives of various entities involved in postsecondary education in Alaska, as well as members of the general public. The Commission, by statute, is charged with coordinating the development of comprehensive plans for the systematic growth of postsecondary education in Alaska; advising as to the functions and purposes of colleges and universities operating in the state; and advising the Governor's office, the legislature, and other appropriate state and federal agencies on postsecondary education issues and concerns in Alaska.

Component Goals and Strategies

1. To Administer the Alaska education loan programs in compliance with state statutes, regulations and accepted education loan industry standards:
 - * conduct quarterly meetings of the Commission to set policy and
 - * work with the Department of Law to develop/revise statutes and regulations to implement policies set by the Commission.
2. Review/approve/monitor postsecondary institutions operating in the state and perform compliance reviews of institutions outside the state that administer student loan funds:
 - * conduct on-site reviews of 32 existing programs/institutions and recommend renewal/non-renewal of operating authorization
 - * provide technical assistance and program review to approximately 10 new schools/programs seeking to begin operation in the state
 - * handle consumer complaints concerning postsecondary institutions/programs operating in Alaska
 - * develop policies, standards and guidelines for institutional administrative capacity for institutions with Alaska Student Loan borrowers
 - * recommend certification of institutions meeting the minimum standards
 - * insure institutions demonstrate financial soundness and capability of fulfilling commitments to students
 - * insure institutional compliance with the Program Participation Agreement
3. Administer the contract with the U.S. Department of Veterans Affairs (VA) in compliance with federal laws, regulations, and the specific requirements of the VA contract:
 - * inspect and supervise approved programs, schools, and training establishments within the State of Alaska (SOA)
 - * determine which education and training programs may be approved for veterans and other eligible individuals
 - * render services and obtain information necessary for the VA to approve or disapprove programs offered by the federal government with the SOA
 - * review and approve catalogs and term schedules from approved educational institutions
 - * conduct on-site supervisory visits to approximately 65 educational institutions and training sites within the SOA approved for VA education and training benefits

* make VA requested visits to schools and training sites

Key Component Issues for FY2002 – 2003

The Program Administration component key issues have five elements:

- to serve as staff to the Alaska Student Loan Corporation (ASLC) and assist in providing program policy direction for the use of ASLC funds to provide maximum benefit to Alaskan participants while insuring the financial well-being of the fund
- to administer and provide policy direction for the ACPE programs, achieving efficiencies and delivering value-added service to Alaskans through improved management, processes and technology
- to review and oversee postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, emphasizing quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning
- to provide Alaskans with information about: the educational opportunities available in Alaska; the economic and social benefits of taking advantage of those opportunities; and, the financial aid programs available to assist in accessing those opportunities
- to provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions.

Major Component Accomplishments in 2001

- Successfully drafted and gained legislative approval for a bill authorizing the new AlaskAdvantage Loan Program, which will become the premier education loan program for Alaska.
- Implemented interim institutional audits for schools in probationary status to insure improvement and assist in the successful completion of probationary period.
- Continued to streamline desk audits and processes to increase the number of out-of-state audits in the most cost-effective manner.
- Maintained AA/Aa2 credit rating for the ASLC bonds.
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Statutory and Regulatory Authority

AS 14.42.010-055

AS 14.48.010-210

Program Administration

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,005.6	883.2	1,090.1
72000 Travel	91.9	94.9	108.9
73000 Contractual	133.7	75.7	203.3
74000 Supplies	34.6	16.0	16.0
75000 Equipment	9.2	1.4	26.4
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,275.0	1,071.2	1,444.7
Funding Sources:			
1002 Federal Receipts	62.8	76.1	77.7
1106 Alaska Post-Secondary Education Commission Receipts	1,212.2	995.1	1,367.0
Funding Totals	1,275.0	1,071.2	1,444.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	62.8	76.1	76.1	77.7	77.7
AK Post-Sec. Education Comm. Receipts	55520	1,212.2	995.1	995.1	1,367.0	1,367.0
Restricted Total		1,275.0	1,071.2	1,071.2	1,444.7	1,444.7
Total Estimated Revenues		1,275.0	1,071.2	1,071.2	1,444.7	1,444.7

Program Administration

Proposed Changes in Levels of Service for FY2003

- Increase on-campus assistance to student borrowers
- Increase on-site assistance and student financial aid technology support for participating institutions
- Expand early awareness and outreach services to Alaska families for distribution of education financing information

* Increment requested for early awareness and outreach, and vocational activities:

\$14,000 Travel for:

- a. In order for the AlaskAdvantage program to be successful, financial aid officers must be fully aware of the program and trained in its use. The goal is for commission staff to attend meetings of state financial aid associations to make presentations and answer questions about the program.
- b. Similarly, school district personnel who counsel students must also be aware of options available, and provided with resources for use in counseling their students. Design of a coordinated K-16 outreach and marketing plan will maximize information dissemination and minimize costs. The goal is to bring key individuals together to design and implement the outreach plan.
- c. Regional field representatives will need training in a number of Commission areas. It is most cost-effective to bring those field representatives to Anchorage for shared training.

\$144,500 Contractual funds for:

- a. \$29,000 Printing and postage costs for enhanced early awareness and outreach materials.
- b. \$35,500 for regional field representatives who will be located in the Nome/Kotzebue area, Bethel area, Central Alaska, and Southeast Alaska. These representatives will be part-time contractors who deliver commission workshops to statewide constituents. More importantly, as residents of those areas, Alaskans local to those regions will get information in a culturally appropriate context, and will have the opportunity to interact directly with a person from their region who can show them by personal example that race or culture or location need not be a barrier to obtaining the education necessary for financial success.
- c. \$80,000 for an RSA with Alaska Human Resource Investment Council to provide vocational school institutional authorization services (licensing of postsecondary career schools to operate in Alaska). This function has considerable overlap with AHRIC functions. An RSA with the AHRIC to outsource that function will reduce administrative costs of compliance for schools, and allow Commission staff to focus on the expanded early awareness and outreach activities in the greater Anchorage and southcentral Alaska communities.

\$25,000 Equipment request for a customized van to deliver postsecondary education outreach at the sites where such outreach is needed but not readily available. Statistics document that the children and adults most likely to benefit from higher education outreach are also those least likely to seek assistance in matters of higher education. For that reason, the Commission proposes to take the information and other resources directly to those children and adults who need it. The information regarding financial aid is complex. As such the students and high school counselors need additional support to understand and keep up with financial aid program changes. School counselors, given the various demands on their time, do not have time to sift through the complex information. The targeted populations tend not to pursue the information or pass it along to their parents to pursue.

ACPE also plans to include middle school visits where this type of information isn't available. All recent research shows that students generally have decided by the 8th grade whether they would be able to go to college. Middle school counselors are not typically kept up to date on this information.

The proposal is to have the van regularly visit high schools and community centers throughout Southcentral Alaska, Glenallen, Tok, Delta Junction, the Kenai peninsula, the Mat Su valley, native corporations and major employers in those communities. Depending on demands and costs, the van might make an annual trip to North Star Borough schools. The van will also be made available at events that attract the populations for whom higher education outreach is needed, such as fairs and state agencies such as unemployment offices and public assistance offices. Finally, it is anticipated that the van will also be available at major employment centers so employees with pre-college-aged students can get information to assist their children.

Outreach efforts are effective only when the students or potential students contact the Commission or come to events scheduled in the evenings. The van will enable the Commission to reach those who would be unlikely to seek out this

information on their own initiative, but would benefit greatly from it.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	76.1	995.1	1,071.2
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	0.0	1.6	24.0	25.6
-PCNs 05-0311, 05-0508, 05-0509 from Student Loan Op. to Align Positions/Program Responsibilities	0.0	0.0	164.4	164.4
Proposed budget increases:				
-Early Awareness & Outreach	0.0	0.0	183.5	183.5
FY2003 Governor	0.0	77.7	1,367.0	1,444.7

Program Administration

Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	14	17	Annual Salaries	836,094
Part-time	0	0	COLA	29,168
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	270,268
			<i>Less 4.00% Vacancy Factor</i>	(45,421)
			Lump Sum Premium Pay	0
Totals	14	17	Total Personal Services	1,090,109

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	1	0	2
Compliance Auditor	1	0	1	0	2
Director/Ir	1	0	0	0	1
Executive Director	0	0	1	0	1
Executive Secretary III	0	0	1	0	1
Internal Auditor	0	0	1	0	1
Personnel Assistant	0	0	1	0	1
Personnel Officer	0	0	1	0	1
Policy Analyst	0	0	1	0	1
Program Coordinator	3	0	1	0	4
Project Assistant	1	0	0	0	1
Project Coordinator	0	0	1	0	1
Totals	7	0	10	0	17